

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

April 3, 1989

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Mr. Thomas Kellahin  
Kellahin, Kellahin & Aubrey  
Attorneys at Law  
Post Office Box 2265  
Santa Fe, New Mexico

Re: CASE NO. 9623  
ORDER NO. R-3339

Applicant:

Meridian Oil, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

Other \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9623  
ORDER NO. R-8899

APPLICATION OF MERIDIAN OIL, INC.  
FOR A NON-STANDARD GAS PRORATION UNIT,  
SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 15, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of April, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Meridian Oil, Inc., seeks approval of a 299.85-acre non-standard gas proration unit comprising Lots 3, 4, 5, 6 and 7, the SE/4 NW/4 and the E/2 SW/4 of Section 6 and Lots 1 and 2 and the E/2 NW/4 of Section 7, both in Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, to be dedicated to its Quigley Com Well No. 250 located at a standard coal gas well location 1030 feet from the South line and 850 feet from the West line (Unit N) of said Section 6.

(3) The proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(4) The entire non-standard proration unit may reasonably be presumed productive of gas from the Basin-Fruitland Coal (Gas) Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(5) The proposed non-standard gas proration unit has previously been approved by Division Order No. R-35, dated December 1, 1950, for use in developing gas reserves in the Blanco-Mesaverde Pool, and has proven to be effective in promoting orderly development in this area.

(6) No offset operator objected to the proposed non-standard gas proration unit.

(7) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Fruitland Coal (Gas) Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

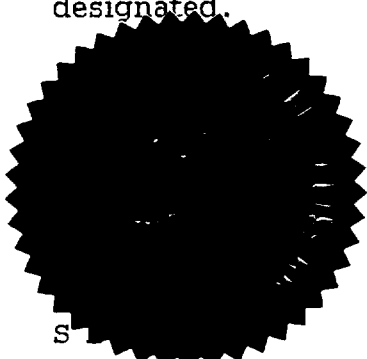
(1) A 299.85-acre non-standard gas proration unit in the Basin-Fruitland Coal (Gas) Pool comprising Lots 3, 4, 5, 6 and 7, the SE/4 NW/4, and the E/2 SW/4 of Section 6 and Lots 1 and 2 and the E/2 NW/4 of Section 7, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to the Meridian Oil, Inc. Quigley Com Well No. 250 located at a standard coal gas well location 1030 feet from the South line and 850 feet from the West line (Unit N) of said Section 6.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Victor Z. Lyon*  
for WILLIAM J. LEMAY  
Director



S

*Proration Unit  
to the South  
of the proposed  
unit.*

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9592  
Order No. R-8870

APPLICATION OF MERIDIAN OIL,  
INC. FOR COMPULSORY POOLING  
AND A NON-STANDARD GAS PRORATION  
UNIT, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 1, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 22nd day of February, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Meridian Oil, Inc., seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and the E/2 SW/4 of Section

CASE NO. 9592  
Order No. R-8870  
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7, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, forming a non-standard 304.39-acre gas spacing and proration unit to be dedicated to its Turner Com Well No. 250 to be drilled at a standard coal gas well location 1595 feet from the South line and 855 feet from the West line of said Section 7.

(3) At the time of the hearing, the applicant testified that all interests in the subject acreage had been voluntarily communitized and therefore requested that the portion of the case requesting compulsory pooling be dismissed.

(4) The proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(5) The entire non-standard gas proration unit may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

\* (6) The proposed non-standard gas proration unit has previously been approved by Division Order No. R-35, dated December 1, 1950, for use in developing gas reserves in the Blanco-Mesaverde Pool, and has proven to be effective in promoting orderly development in this area.

(7) No offset operator objected to the proposed non-standard gas proration unit.

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Order No. R-8870  
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(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Basin-Fruitland Coal Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The portion of the case requesting the pooling of all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and the E/2 SW/4 of Section 7, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, is hereby dismissed.

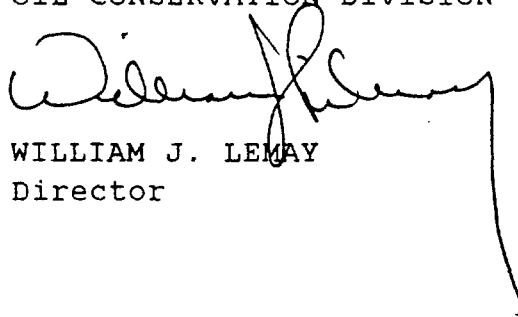
(2) A 304.39-acre non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 3 and 4 and the E/2 SW/4 of Section 7, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to Meridian Oil, Inc.'s. Turner Com Well No. 250 to be drilled at a standard coal gas well location 1595 feet from the South line and 855 feet from the West line of said Section 7.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9592  
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DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY  
Director

S E A L